

## **NOTICE OF FINAL AGENCY ACTION**

**SUBJECT:** MassHealth: Payment for Nursing Facility Services effective October 1, 2016

**AGENCY:** Massachusetts Executive Office of Health and Human Services

### **101 CMR 206.00: STANDARD PAYMENTS TO NURSING FACILITIES**

The following describes and summarizes the changes to MassHealth payments for nursing facility services described in 101 CMR 206.00. The amendments revise the nursing facility payment rates effective October 1, 2016. The amendments implement Section 2, Line Item 4000-0640 of Chapter 133 of the Acts of 2016 (the FY2017 budget), which authorizes additional expenditures of \$52.8 million, relative to the rates in effect on July 1, 2016, including \$35.5 million for a rate add-on related to wages, benefits and related employee costs of direct-care staff.

#### **Goals, Objectives, and Justification of the Proposed Methodology**

For the period between October 1, 2016, and June 30, 2017, and relative to the rates in effect on July 1, 2016, the amendments will increase the user fee add-on by \$2.12 per day for group 1 facilities for a total user fee add-on of \$17.59 per day, and \$0.21 per day for group 2 and 3 for a total user fee add-on of \$1.76 per day, with an additional one-time add-on of \$0.71 per day for group 1 facilities and \$0.07 per day for group 2 and 3 facilities. The amendments also establish a facility-specific direct care staff add-on ranging from \$2.93 per day to \$13.47 per day, with an additional facility-specific one-time add-on ranging from \$0.99 to \$4.57 per day. The amendments also increase the capital standard for new beds from \$28.06 to \$37.60 per day, and update requirements for the publically operated facility, large Medicaid provider, and Department of Developmental Services rate add-ons. The amendments also maintain FY2017 nursing facility pay for performance program funding at \$2.8 million.

EOHHS is making these changes, subject to federal approval, to implement the provisions of the statute, to ensure that payments are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities, and to incorporate feedback from the public. It is estimated that annual aggregate MassHealth expenditures will increase by \$52.8 million as a result of the amendments, compared to the rates in effect on July 1, 2016.

Copies of the amended regulation and rates are available at EOHHS or may be viewed at EOHHS's website at [www.mass.gov/eohhs/gov/laws-regs/hhs/hospitals-nursing-homes-and-rest-homes.html#114\\_2\\_6](http://www.mass.gov/eohhs/gov/laws-regs/hhs/hospitals-nursing-homes-and-rest-homes.html#114_2_6). EOHHS will also schedule a public hearing on these amendments.